

**AUDIT & ACCOUNTING
SOLUTIONS, LLC**



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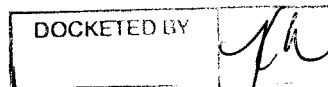
September 02, 2016

Jodi A. Jerich, Executive Director
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission

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SEP 23 2016



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2016 SEP 23 P 2:34

Re: Agreement with Appaloosa Water Company Inc.

W-03443A-15-0271

Dear Jodi,

This letter is to inform you that the Appaloosa Water Company Inc., (the "Water Company") and its owner Joe Cordovana, have formally engaged the services of my company SC Audit & Accounting Solutions, LLC ("SCAA") to assist in preparation of financial records on behalf of the Water Company. SCAA is a Certified Public Accounting firm and we are currently registered with the Arizona State Board of Accountancy. Our agreement with the Water Company is a consulting arrangement in which we will assist them in preparing financial records including an assistance with the preparation certain reports required by the Arizona State Corporation Commission. We will also assist the Water Company to interpret the accounting and finance guidelines provided in the "Rate Case and Audit Manual" prepared by the National Association of Regulatory Utility Commissioners ("NARUC") dated "Summer 2003" in order to assist them in presenting financial reports required by the Arizona State Corporation Commission Utilities Division.

Because our agreement with the Water Company is a consulting arrangement, we are not considered to be independent as described by Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA which comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. Accordingly, we are not engaged to audit, review, or provide any form of assurance related to the records of the Water Company. Instead will work with the Water Company and communicate with accounting staff of the Arizona Corporation Commission to prepare and present the Water Company's financial records.

We appreciate the opportunity to communicate the status of our relationship with Appaloosa Water Company Inc. Our agreement with the Water Company should demonstrate proactive measures currently being taken by the Water Company's president Joseph Cordovana to coincide with the Arizona Corporation Commissions Decision No. 75717 "Order amending Decision No. 75684", dated August 23, 2016.



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Please feel free to contact me if you have any questions about this arrangement or if you need any other information from us.

Very truly yours,

C. Stephen Crandall, CPA